

**Washington, D.C.** - As part of her ongoing efforts to support small businesses, Congresswoman Melissa Bean (IL-08) joined with Congressman Curt Weldon (PA-07) in introducing H.R. 5583, the *Keep Small Businesses Profitable Act*, which will help them cope with high gas prices by temporarily raising the standard deduction they take for mileage expenses.

H.R. 5583 would return the IRS's standard mileage tax deduction to 48.5 cents per gallon through 2006. Last September, the IRS increased the mileage deduction from 40.5 cents to 48.5 cents in response to the gas price spike following Hurricane Katrina. However, at the beginning of 2006, the IRS lowered the mileage deduction to 44.5 cents per gallon.

**"Small businesses drive our economic growth; but, record high gas prices are hurting their ability to remain profitable," Bean said. "As prices continue to rise, small businesses face a number of equally unattractive options – like passing along costs to customers, laying off employees or operating at a loss. This bill is essential to providing relief for our small business owners and the consumers who purchase their products and services."**

Under current statutory authority, the IRS sets the standard mileage rates for business based on an annual study of automobile operating costs. However, with gas prices already returning to post-Katrina levels, immediate action by Congress is required to protect small businesses and keep consumer prices under control.

H.R. 5583 would also help all Americans by reducing the strain of high gas prices on business owners who would otherwise pass those costs on to customers. In November 2005, The National Association of the Self-Employed released a poll showing that, "Forty-three percent of respondents said they have had to increase prices of service or products because of skyrocketing costs."

###